

Congress of the United States

Washington, DC 20515

September 21, 2018

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The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Chairman Pai:

We write to express our support for the Federal Communications Commission (FCC) to act this year to restore greater sufficiency and predictability to the Universal Service Fund (USF) High Cost program. Specifically, we request that the FCC fully fund the High Cost program to ensure that rural North Dakotans have access to high-quality, affordable broadband and voice services comparable to those available in urban areas.

The High Cost program is critical for millions of rural Americans and foundational for the success of all four universal service initiatives in rural America. Yet the USF budget has remained static at 2011 levels, largely reflective of basic telephone service. It is essential for all universal service programs to evolve and keep pace with technological advancements and current demand.

The static nature of the current budget is hindering rural broadband deployment and negatively affecting consumers. In the state of North Dakota, the insufficient budget is estimated to have cut support that carriers would have otherwise received for their deployment of broadband by more than \$14.5 million over a twelve month period. These reductions will require providers to postpone, and in some cases cancel, broadband investments, reducing the availability of rural broadband, and threaten to increase consumer broadband rates in rural areas. These reductions also put at risk the ability of providers to pay back loans for investments already made, undermining the viability and sustainability of broadband in rural areas. More than 96% of North Dakota's land mass is served by rural carriers and it is crucial that these companies and their customers not be left behind.

Given the negative impacts of an insufficient and uncertain USF budget on consumers and providers' ability to invest at a time when Congress has made rural broadband a national priority, we urge the FCC to act before the end of the year to put these programs on a path for success for the next decade and beyond.

Thank you for your actions taken thus far and for acknowledging the need to eliminate the digital divide by assuring affordable broadband for rural American consumers and businesses. We look forward to continuing to work with you to achieve a positive resolution on this important issue for rural America.

Sincerely,



JOHN HOEVEN
U.S. Senator



HEIDI HEITKAMP
U.S. Senator



KEVIN CRAMER
U.S. Congressman



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Heidi Heitkamp
United States Senate
516 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heitkamp:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in North Dakota. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

We started to address this problem in March, when the Commission dedicated an additional \$500 million to support small, rural carriers deploying broadband to the farthest reaches of America. And I expect that we will finish our work in December. I have now circulated to my colleagues a proposed order that would reform our high-cost program for small carriers to increase its efficiency, its sufficiency, and its predictability, all while ensuring rural Americans get the high-quality services they need and deserve.

First, we're promoting efficiency by offering rate-of-return carriers opportunity to opt in to model-based support, which would give them a guaranteed revenue stream for a decade in exchange for meeting specified buildout requirements. *Second*, we're ensuring support is sufficient by offering additional funding to carriers that currently receive model-based support and who agree to meet increased buildout requirements. We're also increasing funding for carriers who do not receive model-based support. *Third*, we're making the program more predictable by setting a new long-term budget for rate-of-return carriers who choose not to opt in to model-based support and ending arbitrary funding cuts. And *fourth*, we're increasing the target speeds for subsidized deployments from 10/1 Mbps to 25/3 Mbps. Long story short, we're making the Universal Service Fund a more effective means of closing the digital divide.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai".
Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Kevin Cramer
U.S. House of Representatives
1717 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Cramer:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

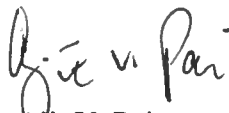
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Sincerely,


Ajit V. Pai

Grateful for your strong
advocacy on rural broadband
issues and look forward to
continuing to advance our shared goals in your new position!



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable John Hoeven
United States Senate
338 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Hoeven:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

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